

# **U.S. Census Bureau Survey of Business Owners**

## ***Hispanic-Owned Businesses: 2007***

Census Bureau Economic Data  
Released on Sept. 21, 2010

# Presenters

Host	Raul E. Cisneros Chief, Media Relations, Public Information Office U.S. Census Bureau
Survey findings	Thomas L. Mesenbourg, Jr. Deputy Director and Chief Operating Officer U.S. Census Bureau
Uses	David Hinson National Director Minority Business Development Agency

# Resources for Today's News Conference

Come to [www.census.gov](http://www.census.gov) and click on the icon at the top left corner to obtain –

- Today's PowerPoint Presentation
- News Release
- Link to Survey of Business Owners Home Page
- Link to Guidance on Accessing SBO Data in the American Factfinder

# About the Survey

- Part of the Economic Census taken every 5 years for years ending in “2” and “7”
- The only comprehensive, regularly collected data for businesses and business owners by
  - Gender
  - Minority status
  - Race
  - Ethnicity (Hispanic origin of any race)
  - Veteran status

# Which Businesses Are Included

- Includes all nonfarm firms operating during the Economic Census year with receipts of \$1,000 or more that filed tax forms as:
  - Individual proprietorships
  - Partnerships
  - Any type of corporation
- Firms classified by kind of business using the North American Industry Classification System (NAICS)

# Business Ownership

- Categories of ownership are based on the characteristics of individuals who own 51% or more of the stock or equity in the business.
- “Minority-owned” defined as any firm with Black or African American, American Indian and Alaska Native, Asian, Native Hawaiian and Other Pacific Islander, or Hispanic owners holding a 51% or larger stake in the business.

# Categories of Business Ownership

- Race
  - Minority-owned, Equally minority-/nonminority-owned, Nonminority-owned
  - White
  - Black
  - American Indian and Alaska Native (AIAN)
  - Asian
  - Native Hawaiian and Other Pacific Islander (NHPI)
  - Some other race

# Categories of Business Ownership (cont.)

- Ethnicity
  - Hispanic, Equally Hispanic/non-Hispanic, Non-Hispanic
- Gender
  - Women-owned, Men-owned, Equally men-/women-owned
- Veteran Status
  - Veteran-owned, Equally veteran-/nonveteran-owned, Nonveteran-owned

# **A Look at the 2007 Statistics for Hispanic-Owned Businesses in the United States**

U S C E N S U S B U R E A U

[www.census.gov/econ/sbo](http://www.census.gov/econ/sbo)

*Sept. 21, 2010*

# U.S. Business Ownership Increased: 2002 to 2007

	Firms in 2007 (number)	% change, 2002 – 2007
All U.S. firms <sup>1</sup>	27,110,353	18
Employer firms	5,752,967	4
Nonemployer firms	21,357,386	22

<sup>1</sup> Includes firms with paid employees and firms with no paid employees.  
Note: Detail does not add to total because of rounding.

## U.S. Business Revenue Increased: 2002 to 2007

	Sales and receipts in 2007 (\$ billions)	% change, 2002 – 2007
All U.S. firms <sup>1</sup>	30,181	34
Employer firms	29,208	34
Nonemployer firms	972	27

<sup>1</sup> Includes firms with paid employees and firms with no paid employees.

Note: Detail does not add to total because of rounding.

# U.S. Business Ownership by Ethnicity: 2002 to 2007

	Firms in 2007 (number)	% change, 2002 – 2007	% of all U.S. firms
All U.S. firms <sup>1</sup>	27,110,353	18	100
Hispanic	2,260,309	44	8
Equally Hispanic/ non-Hispanic <sup>2</sup>	242,766	n/a	1
Non-Hispanic	23,803,242	14	88
Not classifiable	804,037	63	3

<sup>1</sup> Includes firms with paid employees and firms with no paid employees.

<sup>2</sup> This group was counted as “Non-Hispanic” in 2002.

Note: Detail does not add to total because of rounding.

**U S C E N S U S B U R E A U**

[www.census.gov/econ/sbo](http://www.census.gov/econ/sbo)

Sept. 21, 2010

12

# U.S. Business Revenue by Ethnicity: 2002 to 2007

	Sales and receipts in 2007 (\$ billions)	% change, 2002 – 2007	% of all U.S. sales and receipts
All U.S. firms <sup>1</sup>	30,181	34	100
Hispanic	345	56	1
Equally Hispanic/ non-Hispanic <sup>2</sup>	56	n/a	<1
Non-Hispanic	10,593	24	35
Not classifiable	19,187	39	64

<sup>1</sup> Includes firms with paid employees and firms with no paid employees.

<sup>2</sup> This group was counted as “Non-Hispanic” in 2002.

Note: Detail does not add to total because of rounding.

**U S C E N S U S B U R E A U**

[www.census.gov/econ/sbo](http://www.census.gov/econ/sbo)

Sept. 21, 2010

13

# Hispanic Business Ownership Increased Faster than National Rates: 2002 to 2007

	Hispanic- owned firms in 2007 (number)	% change for Hispanic- owned firms, 2002 – 2007	% change for all U.S. firms, 2002 - 2007
All firms <sup>1</sup>	2,260,309	44	18
Employer firms	249,168	25	4
Nonemployer firms	2,011,140	46	22

<sup>1</sup> Includes firms with paid employees and firms with no paid employees.

Note: Detail does not add to total because of rounding.

U S C E N S U S B U R E A U

[www.census.gov/econ/sbo](http://www.census.gov/econ/sbo)

Sept. 21, 2010

14

# Hispanic Business Revenues Increased Faster than National Rates: 2002 to 2007

	Hispanic-owned firms' sales and receipts in 2007 (\$ billions)	% change for Hispanic-owned firms' sales and receipts, 2002 –2007	% change for all U.S. sales and receipts, 2002 –2007
All firms <sup>1</sup>	345	56	34
Employer firms	274	53	34
Nonemployer firms	71	67	27

<sup>1</sup> Includes firms with paid employees and firms with no paid employees.

Note: Detail does not add to total because of rounding.

**U S C E N S U S B U R E A U**

[www.census.gov/econ/sbo](http://www.census.gov/econ/sbo)

Sept. 21, 2010

15

# Growth in Business Ownership by Hispanic Subgroups: 2002 to 2007

	Firms in 2007 (number)	% change, 2002 – 2007	% of all Hispanic firms
Hispanic <sup>1</sup>	2,260,309	44	100
Mexican	1,035,748	48	46
Cuban	251,070	66	11
Puerto Rican	156,546	43	7
Other	778,757	31	34

<sup>1</sup> Includes firms with paid employees and firms with no paid employees.

Note: Detail does not add to total because of firms that are Hispanic-owned, but not assigned to a Hispanic subgroup.

## Growth in Business Revenue by Hispanic Subgroups: 2002 to 2007

	Sales and receipts in 2007 (\$ billions)	% change, 2002 – 2007	% of all Hispanic sales and receipts
Hispanic <sup>1</sup>	345	56	100
Mexican	156	61	45
Cuban	51	45	15
Puerto Rican	17	35	5
Other	114	53	33

<sup>1</sup> Includes firms with paid employees and firms with no paid employees.

Note: Detail does not add to total because of firms that are Hispanic-owned, but not assigned to a Hispanic subgroup.

## Industries Accounting for the Largest Receipts for Hispanic-Owned Firms: 2007

Business sectors	Sales and receipts (\$ billions)	% of all Hispanic sales and receipts
Total for all sectors	345	100
Wholesale trade	65	19
Construction	57	16
Retail trade	54	16

Note: Firms with more than one domestic establishment are counted in each geographic area and industry in which they operate, but only once in the U.S. and state totals for all sectors.

## States With the Largest Percentage of Hispanic-Owned Firms: 2007

States	Hispanic-owned firms in 2007 (number)	% of firms in state that are Hispanic-owned
New Mexico	37,155	24
Florida	450,185	22
Texas	447,486	21
California	566,567	17
Arizona	52,667	11

Note: Firms with more than one domestic establishment are counted in each geographic area and industry in which they operate, but only once in the U.S. and state totals for all sectors.

## Large Counties With the Highest Percentage of Hispanic-Owned Firms: 2007

Counties with a population of at least 500,000	Hispanic-owned firms in 2007 (number)	% of firms in county that are Hispanic-owned
Hidalgo, TX	45,016	69
El Paso, TX	38,791	61
Miami-Dade, FL	244,148	60
Bronx, NY	41,811	38
Bexar, TX	49,526	37

Note: Firms with more than one domestic establishment are counted in each geographic area and industry in which they operate, but only once in the U.S. and state totals for all sectors.

# Large Cities With the Highest Percentage of Hispanic-Owned Firms: 2007

Cities with a population of at least 500,000	Hispanic-owned firms in 2007 (number)	% of firms in city that are Hispanic-owned
El Paso, TX	31,640	60
San Antonio, TX	43,081	39
Houston, TX	51,207	23
Albuquerque, NM	10,284	23
Los Angeles, CA	94,629	21

Note: Firms with more than one domestic establishment are counted in each geographic area and industry in which they operate, but only once in the U.S. and state totals for all sectors.

**U S C E N S U S B U R E A U**

[www.census.gov/econ/sbo](http://www.census.gov/econ/sbo)

Sept. 21, 2010

21

# Accessing SBO Results

- SBO Web site: [www.census.gov/econ/sbo](http://www.census.gov/econ/sbo)
- For access to prepackaged data products and the ability to build custom tables, visit American FactFinder (AFF), the Census Bureau's online, self-service data access tool at [www.factfinder.census.gov](http://www.factfinder.census.gov)

# SBO Release Schedule

Data	Release date
Preliminary Company Summary - Estimates of Business Ownership by Gender, Ethnicity, Race, and Veteran Status (PRELIM)	July 13, 2010
Series of nine releases with additional information by geographic sublevels, detailed industry, size of firm, Hispanic subgroups, detailed Asian and NHPI groups, veteran status, plus business and owner characteristics data	September 2010 through June 2011

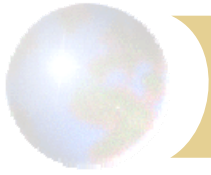
U.S. Department of Commerce  
Minority Business Development Agency



*Hispanic Firms Grow,  
Supporting 1.9 Million  
Jobs, But their True  
Potential is Still  
Unrealized*

David Hinson, National Director



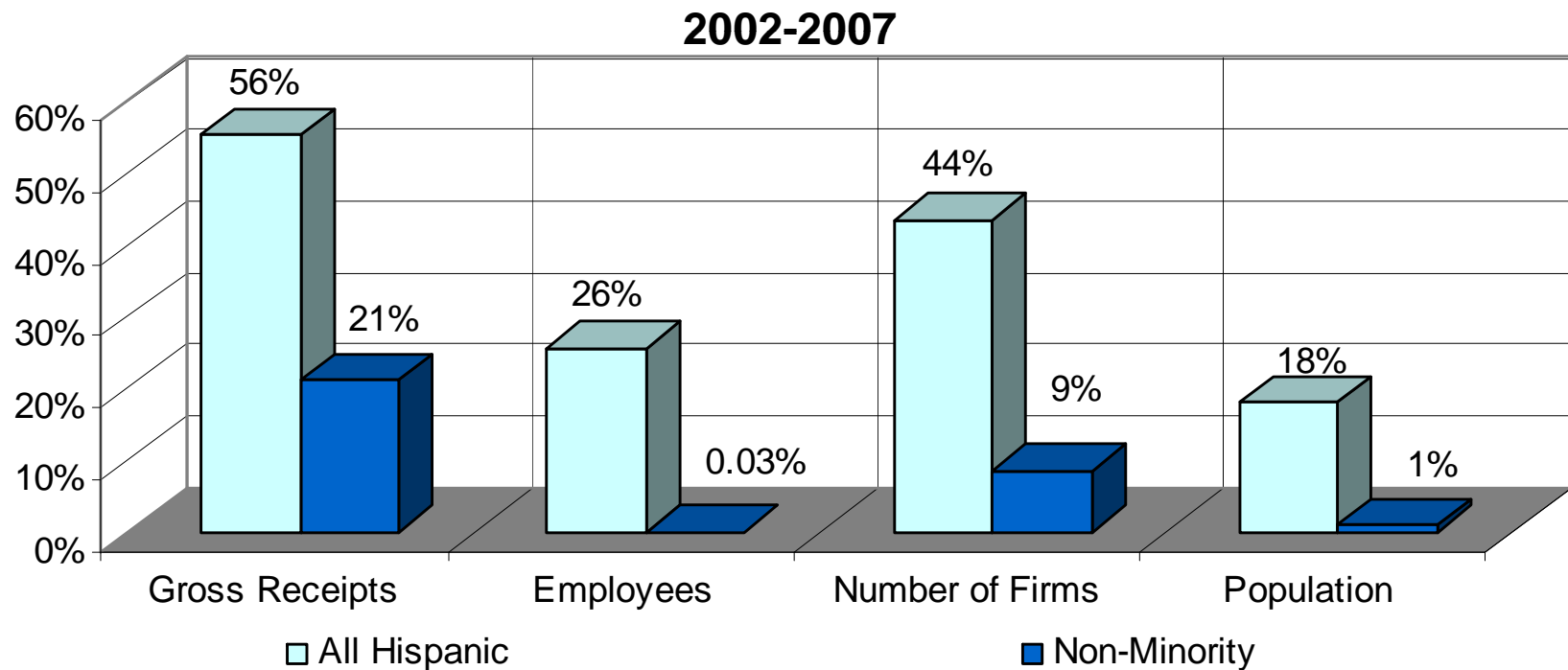


## *The Big Picture*

- The Hispanic business community continues to grow, yet their true economic potential is still unrealized.
- If Hispanic-owned firms reached parity, there would be 3.4 million firms generating \$1.4 trillion in gross receipts, and creating 7.5 million jobs.
- Hispanic firms are an engine of job creation, with paid employment growing by 26% from 1.5 million to 1.9 million, compared to 0.03% growth for non-minority-owned firms.
- The rapidly growing Hispanic population increased by 18% during this period, compared to only 1 percent growth for non-minorities.
- The Hispanic population had an estimated purchasing power of about \$1 trillion, larger than the purchasing power of Indonesia (\$969 billion), Australia (\$824 billion), the Netherlands (\$654 billion) and of all but 14 countries worldwide.



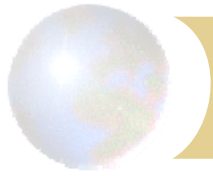
# *Hispanic-Owned Firms Outpace Growth of Non-Minority-Owned Firms*





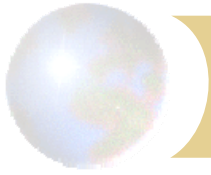
## *The Downside*

- While Hispanic-owned firms outpaced the growth of non-minority-owned firms in gross receipts (56% Hispanic growth), employment (26%) and number of firms (44%), there are still only 250,000 Hispanic-owned firms with employees and of that, just 44,000 have revenues greater than \$1 million.
- In addition, the average gross receipts for Hispanic-owned firms increased to \$153,000 yet is still far below that of non-minority-owned firms (\$490,000).
- There are approximately 2 million sole proprietorships in the Hispanic business community. MBDA's goal is to help grow those in emerging industries and those with the potential for size and scale and encourage job creation among these firms.
- As the Hispanic population increases in the U.S., the success of the Hispanic business community becomes critical for job creation.



# *Minority-Owned Firms Gross Receipts*

Average Gross Receipts		
Hispanic-owned businesses	Minority-owned businesses	Non-minority-owned businesses
\$153,000	\$179,000	\$490,000



## *The Future*

- MBDA is committed to making sure the growth and competitiveness of the minority business community continues to be a national priority.
- MBDA is creating the foundation for the next generation of \$100 million minority-owned firms capable of employing the growing minority population, expanding our tax base and securing our position as a global leader.
- Last year, MBDA assisted minority owned firms in accessing more than \$3 billion in contracts and financings, creating more than 3,000 jobs.
- To grow more minority-owned firms to size and capacity, MBDA encourages minority businesses to consider growth by mergers and acquisition, joint ventures and strategic partnerships.



## *Contacting MBDA Public Affairs*

For more information, please contact:

✚ Email: [public\\_affairs@mbda.gov](mailto:public_affairs@mbda.gov)

✚ Phone: 202.482.6272

# Key Upcoming Releases from the U.S. Census Bureau

- Sept. 28 – American Community Survey – one-year estimates (2009)
- December 2010
  - 2007 SBO for Women-Owned Businesses
  - American Community Survey – five-year estimates (2005-2009)
  - Demographic Analysis estimates
  - 2010 Census state population figures and apportionment totals

# Contact Information

- U.S. Census Bureau  
Public Information Office  
Phone: 301.763.3030